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THOMAS WEISEL PARTNERS LLC and  
THOMAS WEISEL INTERNATIONAL  
PRIVATE LIMITED

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

THOMAS WEISEL PARTNERS LLC, a  
Delaware limited liability company, and  
THOMAS WEISEL INTERNATIONAL  
PRIVATE LIMITED, an Indian company,

Plaintiffs,

v.

BNP PARIBAS, a French corporation, BNP  
PARIBAS SECURITIES (ASIA) LIMITED,  
a Hong Kong company, and PRAVEEN  
CHAKRAVARTY, an individual,

Defendants.

No.

Action Filed:

COMPLAINT FOR (1) TRADE SECRET  
MISAPPROPRIATION, (2) BREACH OF  
CONTRACT, (3) BREACH OF THE  
IMPLIED COVENANT OF GOOD  
FAITH AND FAIR DEALING, (4)  
INTENTIONAL INTERFERENCE  
WITH EMPLOYMENT  
RELATIONSHIPS, (5) INTENTIONAL  
INTERFERENCE WITH CONTRACT,  
(6) INTENTIONAL INTERFERENCE  
WITH PROSPECTIVE ECONOMIC  
ADVANTAGE, (7) BREACH OF  
FIDUCIARY DUTY, (8) AIDING AND  
ABETTING BREACH OF FIDUCIARY  
DUTY, AND (9) CONSPIRACY

(JURY TRIAL DEMANDED)

1 Plaintiffs Thomas Weisel Partners LLC (“TWP LLC”) and Thomas Weisel  
2 International Private Limited (“TW International”) (collectively “Plaintiffs” or “TWP”),  
3 allege as follows:

#### 4 INTRODUCTION

5 1. Trusted employees and fiduciaries owe duties to guard their employer’s  
6 confidential and proprietary information and to spend their time loyally furthering their  
7 employer’s business goals and strategies—not leaking confidential information and  
8 becoming an inside recruiter for a competitor. This case is about how a trusted TWP officer  
9 and a TWP competitor conspired to destroy an innovative business platform that TWP had  
10 developed in complete disregard of these duties.

11 2. Until the actions of the defendants described in more detail below, Discovery  
12 Research was a subscription-based equity research service that offered TWP’s clients access  
13 to timely and often customized research coverage—by securities analysts based in India—of  
14 undercovered micro-, small- and mid-cap public companies. TWP had invested millions of  
15 dollars in the formation and operation of Discovery Research.

16 3. Discovery Research’s success depended, in part, on the talent, experience, and  
17 skills of its employees and the training and strategies developed for Discovery Research by  
18 TWP. Through stealth, misinformation and the unauthorized use of TWP’s confidential  
19 information, the defendants learned of TWP’s strategies and plans and identified Discovery  
20 Research’s key employees. They then secretly and improperly solicited almost twenty key  
21 Discovery Research employees to quit en masse in October and November 2007 for the  
22 purpose of joining Defendant BNP Paribas’ new business—effectively destroying Discovery  
23 Research. In the process, numerous well-established fiduciary and contractual obligations  
24 were breached and/or interfered with, TWP’s confidential and trade secret information was  
25 misappropriated, existing and potential business relations were damaged, and millions of  
26 dollars were lost by TWP.

27 4. The trusted TWP employee who served as the inside operative for the other  
28 defendants was Defendant Praveen Chakravarty—a TWP employee sent from San Francisco

1 to Mumbai, India in 2005 to oversee the development of Discovery Research. Instead of  
2 giving his undivided loyalty to TWP, Chakravarty schemed with executives at Defendants  
3 BNP Paribas and BNP Paribas Securities (Asia) Limited (“BNP Paribas Securities (Asia)”) (collectively “the BNP Defendants”) to raid a core group of Discovery Research employees.  
4 They were so successful that on December 4, 2007, the BNP Defendants announced their  
5 launch of a securities research platform in India headed by none other than Mr. Chakravarty  
6 and consisting largely of employees poached from Discovery Research.  
7

8 5. The BNP Defendants were able to create this new business in a remarkably short  
9 time because, while working for TWP, Chakravarty fed the BNP Defendants confidential,  
10 trade secret information about the qualifications and compensation of key TWP employees  
11 and then, with the encouragement and participation of the BNP Defendants, actively  
12 solicited them to leave TWP and join BNP. Plaintiffs are informed and believe, and thereon  
13 allege, that Chakravarty also provided other TWP trade secret information essential to the  
14 Discovery Research platform to the BNP Defendants. Chakravarty’s misappropriation of  
15 confidential, trade secret information and solicitation of Discovery Research employees for  
16 the BNP Defendants was designed to and did disrupt and injure TWP’s relations with its  
17 employees and customers.

18 6. The near-simultaneous resignation of a large number of its key employees  
19 crippled the Discovery Research business. Despite TWP’s substantial effort and investment,  
20 TWP has been unable to recruit, retrain or license research professionals fast enough to  
21 continue to meet its obligations to clients. For this reason, on December 6, 2007, Thomas  
22 Weisel Partners Group, Inc. (which owns Plaintiffs directly or indirectly) publicly  
23 announced that it was shutting down Discovery Research as a result of Defendants’  
24 recruitment of Discovery Research personnel. TWP now seeks relief for the irreparable  
25 damage that Defendants’ conduct caused.

## 26 THE PARTIES

27 7. Plaintiff TWP LLC is an investment bank and broker-dealer organized under the  
28 laws of Delaware and headquartered in San Francisco, California. It provides strategic

1 advisory and corporate finance services to U.S. and international emerging growth  
2 companies, and equity research, trading execution and asset management services to wealthy  
3 individuals and institutional investors.

4 8. Plaintiff TW International is a subsidiary of TWP LLC organized under the laws  
5 of India and headquartered in Mumbai, India. Until very recently, TW International  
6 operated the Discovery Research business, which sold equity research and other financial  
7 analyses to TWP LLC, which in turn sold that research and those analyses to subscribers.

8 9. TWP is informed and believes, and thereon alleges, that Defendant BNP Paribas  
9 is an international retail and investment bank organized under the laws of France with its  
10 global headquarters in Paris, France, its principal United States offices in New York City  
11 and a regional office in San Francisco, California. BNP Paribas has designated an agent for  
12 service of process in California. TWP is informed and believes, and thereon alleges, that  
13 BNP Paribas was at all relevant times the parent company of Defendant BNP Paribas  
14 Securities (Asia).

15 10. TWP is informed and believes, and thereon alleges, that Defendant BNP Paribas  
16 Securities (Asia) is a brokerage operation organized under the laws of Hong Kong and  
17 headquartered in the Hong Kong offices of BNP Paribas. According to BNP Paribas' 2006  
18 Annual Report, BNP Paribas Securities (Asia) "has sales teams in the United States (New  
19 York and San Francisco) and in Europe (London, Paris and Milan)" (emphasis added).  
20 TWP is also informed and believes, and thereon alleges, that BNP Securities (Asia) provides  
21 equity research and/or brokerage and clearing services to clients located in California.

22 11. Defendant Praveen Chakravarty is a citizen of India who was employed by TWP  
23 LLC from August 7, 2003 until he was terminated on November 7, 2007. From August 7,  
24 2003 to on or about October 1, 2005, Chakravarty was employed pursuant to a non-  
25 immigrant worker visa in TWP LLC's main office in San Francisco. On or about October 1,  
26 2005, Chakravarty was seconded from TWP LLC to TW International in Mumbai to lead the  
27 effort to develop the Discovery Research business. Until his termination, Chakravarty  
28 remained an employee of San Francisco-based TWP LLC. TWP is informed and believes,



1 and thereon alleges, that Chakravarty is currently domiciled in India and intends to remain  
2 there.

### 3 JURISDICTION AND VENUE

4 12. Jurisdiction in this Court is proper under 28 U.S.C. Section 1332 because the  
5 parties are diverse and the amount in controversy is greater than \$75,000, exclusive of  
6 interest and costs.

7 13. TWP is informed and believes, and thereon alleges, that venue in this Court is  
8 proper under 28 U.S.C. Section 1391(a)(3) because, as of the filing of this action, all the  
9 Defendants have sufficient minimum contacts with this judicial district to subject them to the  
10 Court's personal jurisdiction. TWP is also informed and believes, and thereon alleges, that  
11 venue in this Court is proper under 28 U.S.C. Section 1391(d) because Defendants are all  
12 aliens.

13 14. Venue in the San Francisco Division of this Court is proper under Northern  
14 District Local Rule 3-2 because Plaintiff TWP LLC is located in San Francisco, and has  
15 been injured there. TWP LLC owns Plaintiff TW International.

### 16 GENERAL ALLEGATIONS

#### 17 A. TWP Hires Chakravarty, Who Promises To Protect TWP's Trade Secrets 18 And Not To Solicit Customers, Clients, Prospective Clients or Employees.

19 15. On August 7, 2003, TWP LLC offered Chakravarty a position as an Equity  
20 Research Associate in its San Francisco office. On August 13, 2003, Chakravarty accepted  
21 that offer.

22 16. In a document he signed on August 25, 2003, Chakravarty acknowledged that he  
23 had received TWP LLC's Employee Handbook and agreed to comply with all the policies  
24 set forth therein. The document also contains the following promise to protect TWP's  
25 confidential information:

26 I will not at any time, either during or after the term of my employment with  
27 TWP, in any fashion, form or manner, either directly or indirectly, unless  
28 expressly consented to in writing by TWP, use, divulge, disclose or communicate  
to any person or entity any confidential information of any kind, nature or  
description concerning any matters affecting or relating to TWP's business. The

definition of "confidential information" is very broad. It includes but is not limited to, computer processes, programs and codes; the names, addresses, buying habits or practices of any TWP clients or customers; marketing methods, programs and related data, or other written records used in TWP business; compensation paid to other employees and independent contractors and other terms of their employment or contractual relationships; or any other confidential information of, about or concerning TWP business, manner of operations, or other data of any kind, nature or description. I understand the above information and items are important, material and confidential trade secrets that affect the successful conduct of TWP business and its good will, and that any breach of any term of this section is a material breach of this agreement. All equipment, notebooks, documents, memoranda, reports, files, samples, books, correspondence, lists or other written and graphic records, and the like, including tangible or intangible computer programs, records and data, affecting or relating to TWP business, which I might prepare, use, construct, observe, possess or control, shall be and shall remain TWP's sole property.

I agree that on or before the last day of my employment I will not remove confidential information, whether physical or electronic without the express written permission of Human Resources.

The TWP LLC Employee Handbook contains virtually identical language.

17. The document that Chakravarty signed on August 25, 2003 also contains the following promise not to solicit customers, clients or prospective clients:

I hereby acknowledge and agree that I will likely be exposed to a significant amount of confidential information concerning TWP business methods, operations, customers, clients, and prospective clients while employed by TWP, that such information might be retained by me in tangible form or simply retained in my memory, and that the protection of TWP's exclusive rights to such confidential information and trade secrets can best be ensured by means of a restriction on my activities after termination of employment. I agree that all business procured by me while I am employed by TWP and all information about clients and prospective clients are TWP's property. Therefore, for a one-year period following employment termination (whether voluntary or involuntary and with or without cause), I will not solicit, divert or initiate any contact with (or attempt to solicit, divert or initiate contact with) any customer or client of TWP for any commercial or business reason whatsoever.

The TWP LLC Employee Handbook contains virtually identical language.

18. The document that Chakravarty signed on August 25, 2003 also contains the following promise not to solicit TWP employees:

I agree that for as long as I am employed by TWP and for 12 months after the cessation of my employment I will not recruit, hire or attempt to recruit or hire, directly or by assisting others, any of TWP's employees with whom I had contact during my employment with TWP. For the purposes of this paragraph, "contact" means any interaction whatsoever between the other employee and me.

The TWP LLC Employee Handbook contains virtually identical language.

1 19. The TWP LLC Employee Handbook also contains a “Code of Conduct and  
2 Ethics” (“TWP Code”). Section II.A of the TWP Code provides in relevant part that

3 Employees and directors owe a duty to the firm to advance the firm’s legitimate  
4 business interests when the opportunity to do so arises. Employees and directors  
5 are prohibited from taking for themselves (or directing to a third party) a business  
6 opportunity that is discovered through the use of corporate property, information  
7 or position, unless the firm has already been offered the opportunity and turned it  
8 down. More generally, employees and directors are prohibited from using  
9 corporate property, information or position for personal gain or competing with  
10 the firm.

11 Sometimes the line between personal and firm benefits is difficult to draw, and  
12 sometimes both personal and firm benefits may be derived from certain activities.  
13 The only prudent course of conduct for our employees and directors is to make  
14 sure that any use of firm property or services that is not solely for the benefit of  
15 the firm is approved beforehand through an Appropriate Ethics Contact.

16 **B. TWP LLC Sends Chakravarty To Mumbai To Head TWP’s Development  
17 Of Discovery Research.**

18 20. In 2005, TWP LLC began developing an innovative India-based equity research  
19 platform—called Discovery Research—through its subsidiary TW International. TWP  
20 LLC’s pioneering plan was to train Indian nationals as research analysts and help them  
21 obtain appropriate United States regulatory licenses and certifications so that they could  
22 research and publish reports to U.S. investors about stocks traded on major U.S. exchanges.  
23 Discovery Research agreed to sell its research to TWP LLC in San Francisco, which in turn  
24 sold the research to institutional investors by subscription. TWP LLC’s expectation was that  
25 offshoring research in this way would lower the cost of providing research coverage, thus  
26 allowing Discovery Research to cover smaller companies that were not cost effective for  
27 U.S.-based research analysts to cover. TWP LLC was the first U.S. financial services  
28 company to develop this kind of offshore NASD-licensed research capacity.

21 21. On or about October 1, 2005, TWP LLC seconded Chakravarty to TW  
22 International in Mumbai to take the lead management role in building up and running the  
23 research side of Discovery Research. Until his termination on November 7, 2007,  
24 Chakravarty at all times remained an employee of TWP LLC, whose employment terms he  
25 and TWP LLC agreed would be governed by “the laws of the US and [TWP LLC rules and  
26 regulations].”  
27  
28



1       22. In Mumbai, Chakravarty reported to Karanveer (“KV”) Dhillon, Managing  
2 Director of TW International and head of TWP’s Indian operations. As part of his  
3 international assignment, Chakravarty was given the title of “Director of Discovery  
4 Research” and received a raise and significant benefits, including a guaranteed bonus, stock  
5 options and a substantial housing allowance.

6       23. From 2005 through the fall of 2007, TWP grew Discovery Research to employ  
7 approximately 55 people. Of these 55 employees, 14 were NASD- (now FINRA-) licensed  
8 analysts who published research on approximately 150 different companies whose stocks  
9 trade on U.S. exchanges. The analysts were assisted by research associates—some of whom  
10 were also NASD-licensed—as well as editors and administrative staff. Together, TW  
11 International’s research professionals offered TWP’s clients access to research coverage of  
12 under-covered micro-, small- and mid-cap companies in the consumer, healthcare, industrial  
13 growth and technology sectors. Additionally, the research team recently had initiated  
14 coverage of Indian companies.

15       **C. TWP’s Confidential And Proprietary Information Concerning The**  
16       **Discovery Research Business.**

17       24. Because the core function of TWP’s Discovery Research business was to analyze  
18 and publish research reports about under-covered companies trading on U.S. exchanges,  
19 TWP invested in and relied heavily on the specialized training, skills and knowledge of the  
20 employees of its Discovery Research business. The Discovery Research analysts who  
21 received NASD licenses as a result of TWP’s substantial investment in education and  
22 training were key to the success of the Discovery Research business.

23       25. Because of the value of well-trained, experienced and knowledgeable employees,  
24 TWP collected and maintained, at considerable expense, information regarding Discovery  
25 Research employees including, without limitation, information regarding their skill levels,  
26 capabilities and expertise, and detailed information concerning their salaries, bonus and  
27 other compensation. TWP took every reasonable precaution to preserve and maintain the  
28 confidentiality of this information (hereinafter the “Confidential Employee Information”).



1       26. TWP invested substantial time and money to create and maintain Discovery  
2 Research's platform including, but not limited to, developing extensive employee training  
3 materials and generating the research reports themselves. These materials were the product  
4 of TWP's investment and its know how developed over several years of operating Discovery  
5 Research and training its employees. The information in these materials was an important  
6 aspect of TWP's Discovery Research business that was not available publicly, and TWP  
7 took reasonable precautions to preserve and maintain the confidentiality of that information  
8 (hereinafter the "Confidential Platform Information").

9       27. TWP also maintained lists of its Discovery Research customers, and data about  
10 the research, consulting and trading requirements of those customers. That information was  
11 valuable and not available publicly, and TWP took reasonable precautions to preserve and  
12 maintain the confidentiality of that information (hereinafter the "Confidential Customer  
13 Information").

14       28. TWP also created detailed business and marketing plans for Discovery Research.  
15 This information was valuable and not available publicly, and TWP took reasonable  
16 precautions to preserve and maintain the confidentiality of this information (hereinafter the  
17 "Confidential Business Information"). (The confidential information described in  
18 Paragraphs 25 through 28 is referred to collectively herein as "Confidential Information.")

19       29. TWP's Confidential Information derives independent economic value, actual or  
20 potential, from not being generally known to the public or to other persons who can obtain  
21 economic value from its disclosure or use.

22       30. At all relevant times, TWP has undertaken, and does undertake, reasonable  
23 efforts to maintain the confidentiality and secrecy of its Confidential Information. At all  
24 relevant times, the Confidential Information has been, and is, maintained in a secure manner  
25 in TWP's facilities, in a manner that will minimize opportunities for disclosure to  
26 unauthorized persons, including storage of documentation in files that are not available to  
27 persons other than TWP employees with a legitimate business reason for access thereto.

28       31. In addition, all employees in TWP's Discovery Research business read and

1 agreed to the terms of TW International's Employee Handbook, which contained the  
 2 following language prohibiting the disclosure of confidential information to any outside  
 3 person or entity:

4 Employees are not permitted, either during or after the term of employment with  
 5 the Company, in any fashion, form or manner, either directly or indirectly, unless  
 6 expressly consented to in writing by the Company, to use, divulge, disclose or  
 7 communicate to any person or entity any confidential information of any kind,  
 8 nature or description concerning any matters affecting or relating to the  
 9 Company's business. The definition of "confidential information" is very broad.  
 10 It includes but is not limited to, computer processes, programs and codes; the  
 11 names, addresses, buying habits or practices of any of the clients or customers;  
 12 marketing methods, programs and related data, or other written records used in  
 13 Company business; compensation paid to other employees and independent  
 14 contractors and other terms of their employment or contractual relationships; or  
 15 any other confidential information of, about or concerning the Company's  
 business, manner of operations, or other data of any kind, nature or description. I  
 understand the above information and items are important, material and  
 confidential trade secrets that affect the successful conduct of the Company's  
 business and its good will, and that any breach of any term of this section is a  
 material violation of an employee and former employee's obligations to the  
 Company. All equipment, notebooks, documents, memoranda, reports, files,  
 samples, books, correspondence, lists or other written and graphic records, and  
 the like, including tangible or intangible computer programs, records and data,  
 affecting or relating to the Company's business, which an employee might  
 prepare, use, construct, observe, possess or control, shall be and shall remain the  
 Company's sole property.

16 As an employee, you agree that on or before your last day of your employment  
 17 you will not remove confidential information, whether physical or electronic  
 without the express written permission of Human Resources.

18 **D. Chakravarty And The BNP Defendants Conspire To Disrupt TWP's**  
 19 **Discovery Research Business, Misappropriate TWP's Confidential**  
 20 **Information And Raid TWP's Employees.**

21 32. While Chakravarty was still employed by TWP and held the title of Director of  
 22 Discovery Research, he conspired and agreed with senior management at the BNP  
 23 Defendants, including but not limited to Pierre Rousseau and Jonathan Harris, to disrupt the  
 24 Discovery Research business through the unlawful misappropriation of TWP's Confidential  
 25 Information and the wholesale "raiding" of NASD-licensed analysts from Discovery  
 26 Research. The purpose of Defendants' campaign was two-fold: to misappropriate the  
 27 trained employees and technical materials necessary to create an India-based equity research  
 28 business and to deprive Discovery Research of large numbers of critical personnel, thus  
 crippling its ability to provide prompt or quality service to TWP's subscription customers.

1 33. TWP is informed and believes, and thereon alleges, that, sometime in or around  
2 September 2007, senior managers from the BNP Defendants and Chakravarty discussed the  
3 possibility of hiring him along with the bulk of the Discovery Research analyst team.

4 34. By virtue of his position as Director of Discovery Research, Chakravarty had  
5 access to most if not all of TWP's Confidential Information. Chakravarty received and/or  
6 reviewed documents showing employee compensation levels, current and projected profit  
7 and loss statements, and other financial planning documents, including a "break even  
8 analysis" for TWP's Discovery Research operation. Chakravarty was also intimately  
9 involved with the research at the core of the Discovery Research business and, as a result,  
10 had access to research reports, TWP LLC and TW International coverage decisions, contact  
11 information for the companies the Discovery Research team covered, training materials, and  
12 knowledge about the research analysts and associates themselves. Chakravarty also had  
13 access to Confidential Customer Information about subscribers to the Discovery Research  
14 service.

15 35. In mid-October, Chakravarty, without TWP's authority, met in Mumbai with  
16 Rousseau (BNP Paribas' Global Head of Equity Brokerage and a Director and Chief  
17 Executive Officer of BNP Paribas Securities (Asia)) and Harris (BNP Paribas Securities  
18 (Asia)'s Regional Head of Company Research). TWP is informed and believes, and thereon  
19 alleges, that at that meeting, Rousseau, Harris and Chakravarty planned to solicit Discovery  
20 Research employees to stage an "en masse" resignation. In furtherance of their scheme, at  
21 or shortly after the meeting, the BNP Defendants requested, and Chakravarty agreed to  
22 provide (without TWP's permission), a list of what Chakravarty considered the core  
23 members of the Discovery Research team, including Confidential Employee Information  
24 about the qualifications, expertise and compensation of a targeted group of more than twenty  
25 Discovery Research professionals.

26 36. Chakravarty and the BNP Defendants then used the Confidential Employee  
27 Information discussed above to actively solicit Discovery Research employees to quit  
28 simultaneously and jump ship to BNP Paribas Securities (Asia)'s India business.



1 37. TWP is informed and believes, and thereon alleges, that Chakravarty provided, or  
2 instructed others to provide, other Confidential Information—such as business plans and lists  
3 of customer contacts—to the BNP Defendants. TWP believes that Chakravarty traveled to  
4 Hong Kong specifically to deliver TWP Confidential Information to the BNP Defendants  
5 and to plot and scheme to destroy TWP's Discovery Research business.

6 38. The conspiracy culminated between October 31 and November 6, 2007, when  
7 seventeen employees of Discovery Research gave notice of their resignation from TW  
8 International. Ten of the fourteen NASD-licensed research analysts employed by Discovery  
9 Research—the heart and soul of the platform (and some 70 percent of the licensed research  
10 analysts)—were among those who resigned. Of the four remaining research analysts, three  
11 had only had their licenses for a few months. Seven research associates also gave notice.  
12 (Collectively, these employees are referred to as the “Departing Discovery Research  
13 Employees”).

14 39. Starting on or about November 4, 2007, TWP learned that Chakravarty had been  
15 planning for some time to induce a number of TW International employees to leave with him  
16 and to join BNP Paribas Securities (Asia)'s India business. Once it became clear that  
17 Chakravarty was scheming with the BNP Defendants to engineer a mass exodus of  
18 Discovery Research employees, TWP LLC terminated him for cause (violation of company  
19 policies) on November 7, 2007, effective immediately.

20 40. Later that day, Dhillon told Discovery Research's Human Resources director that  
21 Chakravarty had been terminated, at which point she also quit. TWP later discovered that  
22 she had been materially assisting Chakravarty, including, on information and belief, by  
23 providing him with copies of TWP Confidential Information and communicating secretly  
24 with BNP Paribas representatives.

25 41. The Departing Discovery Research Employees were contractually bound to work  
26 for thirty additional days after giving notice to ensure a smooth business transition, in  
27 particular the smooth transition of research coverage for the companies they had followed.  
28 The Departing Discovery Research Employees did not cooperate in the transition: many of

1 them did not show up for work after giving notice, or showed up only sporadically and for a  
 2 few hours a day. In addition, the departing research analysts refused to let their names be  
 3 associated with any research reports they had been working on that had not yet been  
 4 published.

5 42. TWP is informed and believes, and thereon alleges, that after his termination,  
 6 Chakravarty solicited or attempted to solicit additional employees to come to work for BNP  
 7 Paribas Securities (Asia)'s India business. TWP is also informed and believes, and thereon  
 8 alleges, that Defendants have been spreading rumors that TWP is shutting down not only the  
 9 Discovery Research business, but all of TW International's operations in India.

10 **E. BNP Paribas Leverages Its Raid On TWP.**

11 43. On December 4, 2007, BNP Paribas Securities (Asia) announced the launch of a  
 12 27-person securities research team in India under the leadership of Chakravarty. According  
 13 to the company's press statement, Chakravarty is now the Chief Operating Officer and  
 14 Acting Head of Research for BNP Paribas Securities in India. TWP is informed and  
 15 believes, and thereon alleges, that former employees of Discovery Research will form the  
 16 core of the BNP Defendants' new business. Indeed, the December 4, 2007 press statement  
 17 reported that Chakravarty's new team would have ten research analysts—the exact number  
 18 of research analysts who left Discovery Research as part of the en masse resignations that  
 19 Defendants engineered. Moreover, Jonathan Harris—to whom Chakravarty now reports—  
 20 earlier had informed TWP that BNP Paribas Securities (Asia) had hired or intended to hire  
 21 more than twenty Discovery Research employees.

22 44. These allegations establish a classic case of an illegal raid on a competitor with  
 23 the intention of misappropriating an ongoing business. Rather than developing its business  
 24 by legitimate means—by acquiring market expertise and training its own research analysts—  
 25 the BNP Defendants entered into a conspiracy with Chakravarty to steal Discovery Research  
 26 employees and misappropriate other Discovery Research Confidential Information. This  
 27 conspiracy—known of and approved by senior management at BNP Paribas—was part of a  
 28 campaign to enter the market for India-based research without having to invest the millions

1 of dollars and years of effort it would have taken to create independently a valuable research  
2 franchise in India.

3 45. At all relevant times, the BNP Defendants and Chakravarty knew the value of the  
4 Confidential Information that they were misappropriating, and the employees that they  
5 solicited improperly using that information.

6 46. Defendants' orchestration of the mass defection of key Discovery Research  
7 employees destroyed the Discovery Research business. Due to the simultaneous departure  
8 of most of its licensed analysts, TWP was unable to produce timely research reports on many  
9 of the stocks covered by the Discovery Research team. Despite intensive focus over several  
10 weeks on rehabilitating the damaged business—including exploring efforts to quickly  
11 recruit, hire, train and license new research analysts—TWP concluded reluctantly that the  
12 loss of talent rendered it unable to provide the quality and scope of research coverage that  
13 Discovery Research's clients demand (and have paid for). As a result, on December 6,  
14 2007, Thomas Weisel Partners Group, Inc. announced that Defendants' actions had forced  
15 the shutdown of Discovery Research.

16 47. TWP is informed and believes, and thereon alleges, that Defendants' acts were  
17 designed to disrupt and materially injure TWP's relations with its employees and clients.  
18 TWP is further informed and believes, and thereon alleges, that Defendants knew their  
19 actions would harm TWP, in particular in San Francisco—where Defendants knew TWP  
20 LLC was headquartered.

21 **F. Damages Resulting From Defendants' Conduct.**

22 48. As a direct result of Defendants' pre-meditated scheme to cause a large number  
23 of Discovery Research employees—including almost all of its senior research analysts—to  
24 resign en masse, TWP has been forced to close down its Discovery Research business. TWP  
25 has lost revenue and future profits from contracts with existing and anticipated customers.  
26 TWP also has suffered substantial damage to its reputation and goodwill, and has lost its  
27 substantial investment in building up the Discovery Research business.

28 49. As a direct result of Defendants' illegal solicitation of TWP's Discovery



1 Research employees, TWP also will incur significant costs associated with shutting down  
 2 the Discovery Research business, including without limitation the cost of refunding  
 3 subscription payments to its customers, costs related to its lease, and costs of severance  
 4 and/or other obligations to creditors and employees.

5  
 6 **FIRST CAUSE OF ACTION**  
**(Misappropriation of Trade Secrets)**  
**(Against All Defendants)**

7  
 8 50. TWP realleges and incorporates herein by reference the allegations of Paragraphs  
 9 1 through 49, *supra*.

10 51. TWP possesses trades secrets in its Discovery Research business as defined by  
 11 California's Uniform Trade Secrets Act, Civil Code Sections 3426-3426.11.

12 52. These trade secrets include but are not limited to: (i) information regarding the  
 13 training, skill levels, capabilities and productivity of Discovery Research employees, and the  
 14 salaries and compensation (including projected bonuses) of those employees; (ii)  
 15 information about the Discovery Research "platform," including research reports, company  
 16 contacts and employee training materials; (iii) information about actual and potential  
 17 customers, including their contact information and requirements; and (iv) information about  
 18 Discovery Research, including revenue from operations, cost of operations, profitability,  
 19 business plans and marketing documents. (Collectively, this information is referred to  
 20 herein as the "Trade Secrets").

21 53. The Trade Secrets derive independent economic value, actual or potential, from  
 22 not being generally known to the public or to other persons who can obtain economic value  
 23 from their disclosure or use.

24 54. TWP has taken reasonable measures to maintain the secrecy of the Trade Secrets,  
 25 including but not limited to maintaining the information in a secure manner in TWP  
 26 facilities, and requiring that TWP employees—including Discovery Research employees—  
 27 comply with their employee handbooks, which expressly require the maintenance of  
 28 confidentiality with respect to TWP's Trade Secrets.

55. Defendants have misappropriated the Trade Secrets by: (1) acquiring the Trade Secrets with knowledge or reason to know that they were acquired by improper means; (2) disclosing, using and/or threatening to use the Trade Secrets, without the express or implied consent of TWP; (3) soliciting Discovery Research employees by the use of the Trade Secrets; and/or (4) soliciting Discovery Research customers through the use of the Trade Secrets.

56. Defendants, and each of them, have been using the Trade Secrets with knowledge or reason to know that their knowledge of the Trade Secrets was (1) acquired under circumstances giving rise to a duty to maintain their secrecy or limit their use, or (2) derived from or through a person who owed a duty to TWP to maintain the confidentiality of the information.

57. TWP has suffered damages, and Defendants have been unjustly enriched in an amount to be proven at trial, as a direct result of Defendants' misappropriation of the Trade Secrets.

58. Defendants' misappropriation of TWP's Trade Secrets has been willful and malicious and entitles TWP to exemplary damages pursuant to Civil Code Section 3426.3(c) and an award of its reasonable attorneys' fees and costs pursuant to Civil Code Section 3426.4.

**SECOND CAUSE OF ACTION  
(Breach of Contract)  
(Against Defendant Chakravarty)**

59. TWP realleges and incorporates herein by reference the allegations of Paragraphs 1 through 58, *supra*.

60. TWP LLC entered into an employment agreement with Chakravarty. As part of the agreement, TWP LLC agreed to provide Chakravarty with compensation and benefits for his services and, as a condition of and in exchange for receiving those benefits, Chakravarty agreed to faithfully perform the duties and responsibilities of his positions at TWP and to comply with all TWP policies and procedures.

61. As part of the terms of his employment agreement, Chakravarty signed a written agreement on August 25, 2003 that contained the following promise to protect TWP's confidential information:

I will not at any time, either during or after the term of my employment with TWP, in any fashion, form or manner, either directly or indirectly, unless expressly consented to in writing by TWP, use, divulge, disclose or communicate to any person or entity any confidential information of any kind, nature or description concerning any matters affecting or relating to TWP's business . . . .

I agree that on or before the last day of my employment I will not remove confidential information, whether physical or electronic without the express written permission of Human Resources.

62. The agreement that Chakravarty signed on August 25, 2003 as part of the terms of his employment also contained a promise not to solicit TWP employees with whom he had contact for as long as he was employed at TWP and for a period of twelve months after his departure from TWP, whether voluntary or involuntary.

63. The agreement that Chakravarty signed on August 25, 2003 also acknowledged that he agreed to abide by the terms of the TWP LLC Employee Handbook, which contained similar prohibitions on the disclosure of confidential information and solicitation of employees to those described in Paragraphs 61 and 62. The TWP LLC Employee Handbook also contained a prohibition on the use of corporate property, information or position for personal gain or competing with the firm.

64. TWP LLC has performed all of its promises to Chakravarty under its employment agreement with him, except to the extent that its performance was excused by Chakravarty's breach of that agreement as described herein.

65. Chakravarty breached the terms of his employment agreement with TWP LLC by misappropriating TWP's Trade Secrets and other Confidential Information, providing it to the BNP Defendants and using it to solicit employees of TWP's Discovery Research business without TWP's knowledge or consent. This conduct also breached his agreement not to use TWP's information or his position at TWP for personal gain at the expense of TWP.

66. As a direct and proximate result of Chakravarty's breaches of his employment



1 agreement with TWP LLC, TWP has been forced to shut down the Discovery Research  
2 business and has been damaged in an amount to be proven at trial.

3  
4 **THIRD CAUSE OF ACTION**  
5 **(Breach of the Implied Covenant of Good Faith and Fair Dealing)**  
6 **(Against Defendant Chakravarty)**

7 67. TWP realleges and incorporates herein by reference the allegations of Paragraphs  
8 1 through 66, *supra*.

9 68. The employment agreement between Chakravarty and TWP LLC included an  
10 implied covenant of good faith and fair dealing between the parties. This implied covenant  
11 imposed a duty on Chakravarty not to do anything to deprive TWP LLC of the benefit of  
12 that agreement.

13 69. Chakravarty's conduct, described above, constituted a breach of the implied  
14 covenant of good faith and fair dealing.

15 70. Chakravarty's breaches of the implied covenant of good faith and fair dealing  
16 have damaged TWP in an amount to be proven at trial.

17 **FOURTH CAUSE OF ACTION**  
18 **(Intentional Interference With Employment Relationships)**  
19 **(Against All Defendants)**

20 71. TWP realleges and incorporates herein by reference the allegations of Paragraphs  
21 1 through 70, *supra*.

22 72. At all relevant times up to and including the date their employment with TW  
23 International ended or will end, there existed or exists between TW International and the  
24 Departing Discovery Research Employees an employment relationship with the probability  
25 of future economic benefit to TWP. But for the conduct of Chakravarty and the BNP  
26 Defendants, some or all of those employment relationships would have continued and TWP  
27 would have continued to receive economic benefit.

28 73. Due to his position as senior manager at Discovery Research, Chakravarty knew  
of the employment relationships existing between TW International and the Departing

1 Discovery Research Employees. TWP is informed and believes, and thereon alleges, that  
2 the BNP Defendants were also aware of these employment relationships, and that  
3 Chakravarty wrongfully disclosed to the BNP Defendants Confidential Employee  
4 Information including, without limitation, the existence of said relationships, information  
5 concerning the training, skill levels, capabilities and productivity of the Discovery Research  
6 employees, and information concerning the salaries and benefits (including prospective  
7 bonuses) of the Discovery Research employees.

8 74. TWP is informed and believes, and thereon alleges, that both prior to and after his  
9 termination by TWP, Chakravarty, with the full knowledge, approval and assistance of the  
10 BNP Defendants, improperly utilized TWP's Confidential Employee Information to "target"  
11 the Departing Discovery Research Employees and to solicit them to leave Discovery  
12 Research and accept positions at BNP Paribas Securities (Asia)'s India business with the  
13 dual objectives of deliberately disrupting TWP's Discovery Research business, and of  
14 obtaining a critical mass of skilled and trained equity research analysts and support staff for  
15 an India-based equity research business without having to spend the money or time  
16 necessary to create that venture from the ground up. Chakravarty and the BNP Defendants'  
17 conduct in this regard was intentional, wrongful and designed to deliberately disrupt TWP's  
18 business.

19 75. As a direct result of Chakravarty and the BNP Defendants' interference, the  
20 Departing Discovery Research Employees all gave notice and/or ceased coming to work  
21 between October 31 and November 6, 2007. In addition, the Departing Discovery Research  
22 Employees have not abided by their contractual duty to continue working for 30 days after  
23 giving notice.

24 76. As a direct result of Defendants' conduct, TWP has suffered damages in an  
25 amount to be proven at trial.

26 77. The aforementioned acts of Defendants were oppressive, malicious and/or  
27 fraudulent, thereby justifying an award of punitive damages.

**FIFTH CAUSE OF ACTION  
(Intentional Interference With Contract)  
(Against All Defendants)**

78. TWP realleges and incorporates herein by reference the allegations of Paragraphs 1 through 77, *supra*.

79. During the relevant time period, TWP LLC had a contractual relationship with certain institutional investors whereby those investors received research reports from Discovery Research in exchange for a subscription fee. These contracts provided an economic benefit to TWP.

80. TWP is informed and believes, and thereon alleges, that the Defendants were aware of the existence of the contracts between TWP LLC and subscribers to Discovery Research.

81. TWP is informed and believes, and thereon alleges, that Chakravarty and the BNP Defendants improperly utilized TWP's Confidential Employee Information to "target" the Departing Discovery Research Employees and to solicit them to defect from TWP to BNP Paribas Securities (Asia)'s India business in order, in part, to disrupt deliberately TWP's Discovery Research business and negatively affect its ability to provide research services to its subscribers.

82. Defendants' conduct has so disrupted TWP's Discovery Research business that TWP has been forced to close that business, depriving it of further revenue from its existing contracts and causing it to refund money to its subscribers.

83. Defendants' conduct also has harmed TWP by imposing additional expenses on it and by causing an erosion of TWP's reputation and goodwill among its present and prospective subscribers.

84. Defendants' conduct in this regard was intentional, wrongful and designed to disrupt deliberately TWP's business.

85. The aforementioned acts were oppressive, malicious and/or fraudulent, thereby justifying an award of punitive damages.



**SIXTH CAUSE OF ACTION**  
**(Intentional Interference With Prospective Economic Advantage)**  
**(Against All Defendants)**

86. TWP realleges and incorporates herein by reference the allegations of Paragraphs 1 through 85, *supra*.

87. During the relevant time period, TWP LLC had current subscribers to its Discovery Research services that it wished to continue to sell services to after the expiration of those customers' subscription agreements. TWP LLC also had a large number of relationships with prospective customers that would likely have resulted in those prospective customers subscribing to the Discovery Research service.

88. TWP is informed and believes, and thereon alleges, that the Defendants were aware of the existence of the contracts between TWP LLC and Discovery Research subscribers, and of the relationships between TWP LLC and prospective Discovery Research subscribers.

89. TWP is informed and believes, and thereon alleges, that Chakravarty and the BNP Defendants misappropriated and improperly utilized TWP's Confidential Employee Information to "target" the Departing Discovery Research Employees and to improperly solicit them to defect from TWP to BNP Paribas Securities (Asia)'s India business in order, in part, to disrupt deliberately TWP's Discovery Research business and negatively affect its ability to provide research services to its subscribers.

90. Defendants' conduct has so disrupted TWP's Discovery Research business that TWP has been forced to close that business, depriving it of further revenue from its existing contracts and causing it to refund money to its subscribers.

91. Defendants' conduct has harmed TWP by imposing additional expenses on it and by causing an erosion of TWP's reputation and goodwill among its present and prospective subscribers.

92. Defendants' conduct has also made it impossible for TWP to derive any future revenue from the Discovery Research business, including to recoup the substantial investment it made in that business.

93. Defendants' conduct in this regard was intentional, wrongful and designed to disrupt deliberately TWP's business.

94. The aforementioned acts were oppressive, malicious and/or fraudulent, thereby justifying an award of punitive damages.

**SEVENTH CAUSE OF ACTION  
(Breach of Fiduciary Duty)  
(Against Defendant Chakravarty)**

95. TWP realleges and incorporates herein by reference the allegations of Paragraphs 1 through 94, *supra*.

96. By virtue of his employment with TWP and his position as Director of Discovery Research, as well as pursuant to his written agreements with TWP LLC, Chakravarty occupied a position of trust and confidence with TWP. By virtue of his position of trust, Chakravarty had access to TWP's Confidential Information and Trade Secrets related to the Discovery Research business.

97. By engaging in the acts described above, Chakravarty misused his position of trust and confidence, and his access to TWP's Confidential Information and Trade Secrets to further his own interests and those of the BNP Defendants, and breached his fiduciary duties to TWP.

98. As a direct result of Chakravarty's breach of his fiduciary duties, TWP has suffered harm in an amount to be proven at trial.

99. Chakravarty's breach of fiduciary duties was willful and malicious and justifies an award of punitive damages.

**EIGHTH CAUSE OF ACTION  
(Aiding and Abetting Breach of Fiduciary Duty)  
(Against The BNP Defendants)**

100. TWP realleges and incorporates herein by reference the allegations of Paragraphs 1 through 99, *supra*.

101. Defendant Chakravarty owed a fiduciary duty to TWP, which he breached by acting in the manner described above.

102. Defendants BNP Paribas and BNP Paribas Securities (Asia), and each of them, aided and abetted Chakravarty's breach of fiduciary duty—they knew that Chakravarty's provision to them of TWP's Confidential Information, and use of that information to personally solicit the Departing Discovery Research Employees, constituted a breach of fiduciary duty. By offering Chakravarty a job and a place for the Discovery Research team, as well as financial incentives, the BNP Defendants gave substantial assistance or encouragement to Chakravarty to breach his fiduciary duties.

103. As a direct result of the BNP Defendants' aiding and abetting of Chakravarty's breach of his fiduciary duties, TWP has suffered harm in an amount to be proven at trial.

104. The BNP Defendants' aiding and abetting of Chakravarty's breach of his fiduciary duties was willful and malicious and justifies an award of punitive damages.

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FAULK  
& RABKIN  
A Professional Corporation

**NINTH CAUSE OF ACTION  
(Civil Conspiracy)  
(Against All Defendants)**

105. TWP realleges and incorporates herein by reference the allegations of Paragraphs 1 through 104, *supra*.

106. Defendant Chakravarty and the BNP Defendants together agreed to a scheme to misappropriate TWP's Confidential Information and use that information to solicit the Departing Discovery Research Employees to come to work for BNP Paribas Securities (Asia)'s India business, thereby destroying the Discovery Research business. Defendants knew that these actions were improper because, for example, they constituted a misappropriation of trade secrets and a breach of Chakravarty's contractual and fiduciary duties of confidentiality and loyalty. BNP Paribas and BNP Paribas Securities (Asia), and each of them, agreed with Chakravarty that these wrongful acts should be committed and intended that he commit them.

107. As a direct result of the BNP Defendants' conspiring in Chakravarty's wrongful



1 acts as described above, TWP has suffered harm in an amount to be proven at trial.

2 108. The BNP Defendants' conspiring in Chakravarty's wrongful acts as described  
3 above was willful and malicious and justifies an award of punitive damages.

4 **PRAYER**

5 WHEREFORE Plaintiffs pray for judgment against Defendants, and each of them, as  
6 follows:

- 7 1. For an award of damages in an amount to be proven at trial;  
8 2. For an order requiring that Defendants return all TWP Trade Secrets and/or  
9 Confidential Information;  
10 3. For exemplary damages pursuant to Civil Code Section 3426.3(c);  
11 4. For punitive damages;  
12 5. For attorneys' fees and costs pursuant to Civil Code Section 3426.4;  
13 6. For an award of costs; and  
14 7. For all other relief the Court deems just and proper.

15  
16 DATED: December 6, 2007.

17 Respectfully,

18 GILBERT R. SEROTA  
19 MARK A. SHEFT  
20 MICHAEL L. GALLO  
21 HOWARD RICE NEMEROVSKI CANADY  
22 FALK & RABKIN  
23 A Professional Corporation

24 By: 

GILBERT R. SEROTA

25 Attorneys for Plaintiffs THOMAS WEISEL  
26 PARTNERS LLC and THOMAS WEISEL  
27 INTERNATIONAL PRIVATE LIMITED  
28

**DEMAND FOR JURY TRIAL**

Plaintiffs hereby demand a jury trial of all issues so triable as provided by Rule 38(a) of the Federal Rules of Civil Procedure.

DATED: December 6, 2007.

Respectfully,

GILBERT R. SEROTA  
MARK A. SHEFT  
MICHAEL L. GALLO  
HOWARD RICE NEMEROVSKI CANADY  
FALK & RABKIN  
A Professional Corporation

By:   
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